(b) if so, whether U.S. got a report that Pakistan has indulged in proliferation of nuclear technology;

(c) whether U.S. has provided proof to the Pakistan on these charges;

(d) if so, whether this would have a greater implication on India's security; and

(e) if so, Government's reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI DIGVIJAY SINGH): (a) to (c) The United States announced on 31 March, 2003 that it had imposed non-proliferation penalties on Pakistan's Khan Research Laboratory (KRL) on 24 March 2003. The United States also imposed non-proliferation sanctions on the North Korea entity Changgwang Sinyong Corporation (CSC) on the same day.

2. The U.S. State Department clarified on 01 April, 2003 that the United States made a determination to impose penalties on both CSC and KRL as a result of a specific missile-related transfer from CSC to KRL. It further clarified that these sanctions did not pertain to any other activity, including nuclear-related ones, and that the U.S. Administration had carefully reviewed the facts relating to the possible transfer of nuclear technology from Pakistan to North Korea, and decided that the facts do not warrant the imposition of sanctions under applicable U.S.laws.

3. Proliferation activities in India's neighbourhood have implications for India's security. Government's defence preparedness fully takes into account these developments.

4. Imposition of these sanctions substantiates Government's assessment regarding clandestine proliferation links between Pakistan and North Korea. Government welcomes all efforts to address proliferation concerns regarding Pakistan.

Rate of Interest on EPF

*672. SHRI PARMESHWAR KUMAR AGARWALLA: Will the Minister of LABOUR be pleased to state:

(a) whether there is any move to reduce the present rate of interest on the Employees Provident Fund from 9 to 8 per cent;

(b) if so, the reasons therefor;

(c) the details of the schemes and Government's plans for reinvestment of the huge funds available with the organisation; and

(d) its impact on the employees and the Unions' reaction to the proposed slash in the interest rate?

THE MINISTER OF LABOUR (SHRI SAHIB SINGH VERMA) : (a) and (b) The rate of interest for the Employees' Provident Fund subscribers for the year 2002-03 was 9.5% per annum. The rate of interest for the current financial year has not been declared so far.

(c) The investments are being made by the Employees Provident Fund Organisation, in accordance with the investment pattern notified by the Central Government from time to time.

(d) Does not arise in view of (a) and (b) above.

UN Charter's approval for Military Action

*673. SHRI VIJAY J. DARDA : Will the Minister of EXTERNAL AFFAIRS be pleased to state :

(a) whether Government are aware that according to the UN Secretary-General's statement in Hague on the 10th March any military action outside the Council would not be in conformity with the UN Charter;

(b) if so, in what manner the UN Charter deals with such a situation if it actually happens; and

(c) Government's views in this regard and the diplomatic steps it visualises to avoid such a situation and for maintaining universal peace?

THE MINISTER OF STATE IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI DIGVIJAY SINGH) : (a) to (c) Speaking in the specific context of Iraq, which was an issue before the Security Council on March 10, the UN Secretary General said "If the US and others were to go outside the Council and take military action, it would not be in conformity with the Charter".

The Charter envisages use of force in case of self-defence or as authorised by the Security Council under Chapter VII.

The Government had expressed its sense of deep anguish at the resort to military action in Iraq, which in its view lacked justification and was avoidable. Government has been in contact with other Governments on a more effective role by the UN in avoiding such situations and in strengthening international peace and security.

Foodgrains in Central Pool

*674. SHRI MURLI DEORA : Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state :